

--- Caddy Stamps ---

Chris Ryan, "Canadian Revenue Newsletter", No. 39, May 2002

"As of February 8th, 1868, the government of Canada entered into a contract for security printing with the British American Bank Note Company (BABN). An original copy of this manuscript contract is on file at the National Archives of Canada in Ottawa, Ontario. In this document, the scope of the agreement is given as follows: "BABN

will engrave all the necessary plates and dies, and print therefrom and furnish as when the same shall from time to time be required, all blanks for notes, bills, bonds, debentures and all note, bill and postage stamps, and all other engraving, excepting type printing which may be required by the Government of Canada ..."

Note that 'revenue' stamps, other than those for bills of exchange and promissory notes, were not explicitly stated in the main text of the agreement and likewise were not included in the 'Schedule of Prices' annexed to the document. In the original copy of the 1868 contract, the word '**revenue**' appears only in the left margin beside the line '**debentures and all note, bill and postage stamps ...**', where a small insertion arrow (^) appears immediately in front of the word '**note**'.

In the Exchequer Court case of *Crown versus BABN*, the bank-note company argued that this was a later addition and not part of the contract as was signed by them. The Court agreed and deleted the cost of the lithographed stamps delivered during the lifetime of the 1868 contract from the amounts claimed by the government.

The counsel for the government reluctantly accepted the court's ruling. He stated, '**I acquiesce in the view that the contract does not cover Revenue stamps**'. Shortly thereafter, he made a more definite admission in a private letter to the Deputy Minister of Justice as follows:

The principal contentions of the company in reply to the case presented on behalf of the Crown were: First - that there was no contract for engraving tobacco revenue stamps under contract No. 1 and that the stamps were lithographed by express arrangement with the then Commissioner of Inland Revenue, and I think this contention is probably correct.

Note that the terms 'engraved' and 'engraving' were used in these documents to mean 'steel-plate' (intaglio) production. During the lifetime of the BABN contracts (1868-1897), printing plates, whether of steel or in the form of a lithographing stone, were not 'engraved' in the proper, technical sense of the word. Dies were engraved for the tobacco stamps, plates were not. Lithographed tobacco stamps were usually printed from a stone impression made by transfers from a steel die or plate.

In the case of *Crown versus BABN*, George B. Burland testified that verbal arrangements had been made in 1868 for production of the tobacco revenue stamps not covered by the contract. According to Burland, officials of the Revenue Department had agreed to '**the best work that could be produced from steel lithographically printed**'. Amongst other supporting documents, the defence presented letters date from 1870 from the Commissioner of Inland Revenue in which lithographed tobacco revenue stamps were acknowledged as the accepted norm up to that time.

These lithographed tobacco stamps were purchased by BABN from the then current incarnation of Burland's lithographing company and sold to the government at an advance over the purchase price. Evidence presented in the *Crown versus BABN* case indicates that initially the majority of the lithographed stamps were purchased in a completely finished form. By 1880, the perforating and numbering was done primarily by BABN.

The first issue of BABN manufactured tobacco stamps comprised two square stamps in red for warehousing 'caddies', and 'boxes' of manufactured tobacco. ... Corresponding consumption stamps were produced in black with the fourth line of the central inscription being '*Semi-Monthly Return No.*' in place of the '*Warehouse Entry No.*' as found on the warehouse stamps. As was the case with the previous typographed stamps, the new lithographed BABN stamps did not have serial numbers. However, unlike the previous issues, the BABN stamps were supplied without gum and it was now the responsibility of the tobacco manufacturers to supply a suitable adhesive."

"The new BABN stamps were formally issued on September 11th, 1868. The accompanying circular provided detailed instructions regarding usage, requisitioning, inventory-keeping, cancellation and the need for a suitable adhesive. The distinction between a 'caddy' and a 'box' of tobacco products was not explained in the circular, perhaps because it would have been automatically understood by excise officers. A Revenue Department circular from July of 1881 placed a 25-pound weight limit for a package on which a caddy stamp was affixed. Data compiled regarding used 'caddy' stamps conforms to a 25-pound limit with one 1877 exception used at 35-pounds. 'Box' stamps were used on very large packages, ranging up to over one hundred pounds.

While September of 1868 marked the official introduction of the new BABN production, quantities of selected stamps appear to have been released just prior to that date. One such stamp, a red 'box' stamp is dated 4 - 68 which in view of available production information ... represents the second half of August 1868." This stamp is illustrated in the Bandom catalogue - JBH

"The caddy excise stamp was redesigned in 1871, with the first delivery by BABN occurring at the end of July. ... New box stamps were added later in red (pre-October 1873) and in black (post-October 1873). Initially and predominantly, these new upright rectangular stamps were printed from steel plates, with some later production by lithographic transfers. Lithographic versions included a small 1882 shipment of green caddy stamps for use in Montreal. This green caddy stamps was only produced by lithography.

The blue Customs versions of the new box and caddy stamps did not appear until 1881, following the December 1880 assumption by the Revenue Department of responsibility for the procurement of Customs tobacco stamps. The entire supply of these Customs stamps was printed by lithography.

In September 1874 the Revenue Department authorized the preparation of the first Division-specific stamps for manufactured tobacco. These stamps bear the printed name of the Revenue Division and signature of its Collector in the spaces previously left blank to be filled in by hand or rubberstamp. The first of these personalized stamps were prepared for use in Montreal and Toronto. It is surmised that similar stamps for other Divisions were subsequently introduced overtime as warranted by numbers used."

"An 1882 addition to the stamps for products of exclusively Canadian leaf was a green, *lithographed* version of the Montreal Division Caddy stamp. Significantly, this *green caddy stamp* is a *warehouse stamp* that would have been affixed to stored packages on which the excise duty was payable upon removal from a bonding warehouse for consumption. The existing *green strip-stamps* are *consumption stamps* that were affixed to packages released for consumption *directly from the factory* and on which the excise duty was payable semi-monthly.

This situation is explained by the Inland Revenue Reports for the three fiscal years ending June 30th, 1881, 1882 and 1883. These Reports show that in the first two years tobacco, manufactured from Canadian leaf exclusively, was produced only in the Montreal and Three-Rivers Divisions. All of this tobacco paid duty directly from the factory, none was warehoused, and thus all of it would have been affixed with green *consumption-strips*. In the third year (1882-1883), tobacco manufactured from Canadian leaf exclusively was produced in the Joliette, Montreal, St. Hyacinthe and Three-Rivers Divisions. Unlike the previous two years, some green-stamped tobacco was *warehoused*, but only in the Montreal Division. This data corresponds to the known green manufactured tobacco stamps from this period."

"Passage of the 1880 Statute affected the 'large' tobacco stamps in two significant ways. The first effect was the deletion of the reference on the stamps to the previous Statute, 31 Victoria Chapter 8. On July 1st 1880, BABN was instructed by the Revenue Department to remove all references to the old Statute from the existing printing plates. ... The second effect was the **overprinting of the Box stamps** with the new weight limit of **Not to cover more than 110 lbs...** ... The timing of this overprinting, which is known reading both up and down in different type faces and colours, has not yet been determined by this writer. Lee Brandom lists a BOXES stamp with the XXXI VICT. CAP. VIII., removed, but without the weight restriction added. However, the price quoted by Brandom for this stamp indicates that he thought it to be a very rare item. This extreme scarcity is perhaps an indication that the decision to overprint the weight limit was made soon after the new design of BOX stamps had been prepared."

1st BABN Contract (1868-1873)	John McKay records that 65,000 <i>recess printed</i> black CADDY were 'Delivered'. These are prior to 1874, and thus are all Division Open.
2nd BABN Contract (1873-1878)	John McKay records that another 61,000 <i>recess printed</i> black CADDY were 'Delivered'. A tentative breakdown follows: Division Open - 28,000 Montreal Division - 23,000 - <i>Dunbar Browne</i> Toronto Division - 10,000 - <i>J. Morrow</i> .
3rd BABN Contract (1878-1886)	John McKay further records that an additional 64,000 <i>recess printed</i> black CADDY were 'Delivered'. A tentative breakdown follows: Division Open - 10,000 Montreal Division - 10,000 - <i>Dunbar Browne</i> Montreal Division - 30,000 - <i>J. L. Vincent</i> Toronto Division - 14,000 - <i>J. Morrow</i>

Chris Ryan reports that *J. L. Vincent* replaced *Dunbar Browne* as Collector at Montreal on May 1st 1879.

1st BABN Contract (1868-1873) -	65,000 recess printed – Division Open only
2nd BABN Contract (1873-1878) -	61,000 recess printed
3rd BABN Contract (1878-1886) -	64,000 recess printed
	190,000

The highest control numbering recorded to date - Division Open is with SNUFF 1883 overprinting

Division Open -	94399
Montreal Division - <i>Dunbar Browne</i>	33096 - plus the <i>J. L. Vincent</i> inscribed stamps
Toronto Division	21021
	148,516

File path is [c:\ CR - STAMPS \ RM_STAMPS \ CADDY \ Black \ Introduction],
In MS Word 2007 for Windows 7,
Formatted for a HP CP 1525 Laser Jet,
October 30th 2013, JBH